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FIRMORANDUM FOR

MR. McGEORGE BUNDY The White House

SUBJECT: Redefining the Role of the Director of Central Intelligence and Strengthening the Internal Organization of the Central Intelligence Agency

REFERENCE: Letter from Mr. Bundy, same subject, dated November 28, 1961

- 1. With the referenced memorandum you submitted to me a compilation of the recommendations made to the President by his Foreign Intelligence Advisory Board in reports of the Board dated July 3, July 18, October 4, and October 17, 1961. You indicated that the President desired my views prior to taking final action on the Board's recommendations.
- 4. In the period since the receipt of your memorandum, I established a Working Group to examine the organization of the Central Intelligence Agency, its relations with other intelligence agencies, and the organization of the intelligence community. This Working Croup completed its studies at the end of March and reported to the. I have reviewed its report and initiated action to implement certain of its recommendations as indicated in the attached report. Further, during this period the United States Intelligence Board has reviewed some of the major activiries of the intelligence community, particularly the Watch Committee and the National Indications Center. Finally, and most important of all, the President by memorandum of January 16 indicated his desires concerning the role of the Director of Central Intelligence.

This accument may be downgraded to when enclosure is detached.

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3. Attached is a memorandum summarizing my views on the recommendations of the President's Foreign Intelligence Advisory Board.

[Signed] JOHN A. McCONE

John A. McCone Director

Attachments

LBK/jrc

Exec. Dir.: LBKirkpatrick/jrc (9 May 62)

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Redefining the Role of the Director of Central Intelligence

The Board proposed, as an interim measure in the absence of new basic legislation, that the role of the Director of Central Intelligence be redefined in the following manner:

(a) The Director of Central Intelligence should be designated by the President as the Chief Intelligence Officer, having as his primary function the responsibility for coordinating the total foreign intelligence effort.

Comment: The President by memorandum dated January 16, 1962, has designated the DCI the Government's principal foreign intelligence officer responsible for the coordination and effective guidance of the total United States foreign intelligence effort.

(b) Although the new Director of Central Intelligence should continue to have over-all responsibility for the Central Intelligence Agency, the Director should be instructed by the President to assign to the Deputy Director the day-by-day operational direction of the Agency.

Comment: This has been done. The Deputy Director of Central Intelligence is the chief executive officer of that agency and responsible for its day-to-day operational direction.

(c) The Director of Central Intelligence should be housed in the Executive Office of the President in order to be closer to the President, and in order to emphasize his role as Chief Intelligence Officer of the United States.

Comment: The move of the Director of Central Intelligence to the Executive Office of the President would create more problems than it would solve. Under the present arrangement the DCI has access to the President at all times, works closely with the Executive Office of the President, and yet has the full facilities of the headquarters building at Langley at his disposal. A move to the Executive Office would involve not only estimators, coordinators, current intelligence personnel, but also operators in view of the emphasis on counter insurgency, police and internal security forces, and expansion of activities in Latin America.

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(d) The Director of Central Intelligence should participate with the Bureau of the Budget in reviewing intelligence estimates of the various agencies, and in so doing the Director of Central Intelligence should pay particular attention to the budget and parsonnel strengths of the Central Intelligence Agency.

Comment: In my view it would be inappropriate for the LCI to work with the Eureau of the Budget in reviewing intelligence estimates of the various agencies. It would appear more appropriate for the DCI to use the vehicle of the USIB in this effort, and this is in effect what is being done in part today in review of the total foreign intelligence effort by the USIB.

(e) Among his duties, the Director of Central Intelligence should be responsible for assuring the timely flow of intelligence
to the White House; for overseeing the preparation of national intelligence estimates reflective of the best judgment of the Intelligence Community; and for providing intelligence briefings required by the President
and other White House officials.

Comment: I am certain that the national intelligence estimates reflect the best judgment of the Intelligence Community. Intelligence briefings are being presented to White House officials daily, and to the President at his convenience. We are examining in great detail the timely flow of intelligence to the White House.

(f) The Director of Central Intelligence should serve as Chairman of the U.S. Intelligence Board and represent the President on intelligence policy matters at the national level.

Comment: This has been accomplished.

(g) The Fresident and the new Director of Central Intelligence should consider the desirability of the new Director taking with him to the Executive Office those personnel within the Central Intelligence Agency who are engaged in preparing coordinated national intelligence estimates and evaluations.

Comment: This matter was dealt with under subparagraph (c) above.



(h) The new Director of Central Intelligence should have the opportunity, if he desires, to establish within his immediate office a small staff to assist him in overseeing and checking the operation of the intelligence effort.

Comment: I am developing a staff to work with me in the overseeing and checking of the United States intelligence effort.

Strengthening the Internal Organization of the Central Intelligence Agency

The Board recommended that the Director of Central Intelligence, in consultation with the Board, undertake organizational studies looking toward a strengthening of the Central Intelligence Agency, these studies to include the consideration of the feasibility of such measures as the following:

(a) Afforcing increasing emphasis to the acquisition of "hard" intelligence essential to the national security, and decreasing the excessive amphasis now given to covert actions.

Comment: Recent organizational changes in CIA have placed great emphasis on the intelligence effort as distinct from the covert action effort. However, I am certain that the Board recognizes that the world situation today requires, if anything, even greater activity in the covert action field in certain areas. However, I can assure the Board that this will not be done at the expense of our intelligence effort which will receive top priority.

(b) Devising methods for the identification and elimination of covert programs of low potential.

Comment: I have established in CIA an Executive Committee and a Financial Policy and Budget Committee. These two organizations will, among other saties, insure that covert programs of low potential are eliminated.

(c) Transferring clandestine activities and covert operations from the Central Intelligence Agency and establishing them in another agency.



Comment: I disagree with this recommendation. I believe that nothing would be accomplished in transferring clandestine activities and covert operations from the CIA to another agency and that considerable would be lost. CIA has developed a fine cadre of skilled and experienced professionals.

(d) Relocating the administration of all or portions of clandestine activities and covert operations to points outside of Washington.

Comment: We are at the present moment examining whether any additional clandestine activities can be transferred to points outside of Washington without expensive loss of efficiency. The Board should understand that basically at the present time our headquarters in Washington handles primarily policy and support for these activities and that truly clandestine and covert personnel never visit our headquarters building.

(e) Achieving deeper cover for all clandestine activities and covert actions.

Comment: We are aggressively working on deeper cover.

(f) Seeking the reduction of the visibility of U. S. foreign intelligence activities and organizations through action by officials of these organizations to refrain from making public speeches, and through efforts by the Director of Central Intelligence to reduce to a minimum his appearances before Congressional Committees.

Comment: This has been done.

(g) Achieving improvements in the quality of Central Intelligence Agency personnel.

Comment: We are working on this.

(h) Changing the name of the Central Intelligence Agency.

Comment: I believe that nothing would be accomplished in changing the name of the Central Intelligence Agency.



(i) Effecting other requisite realignments in the organization and staffing of the Central Intelligence Agency.

Comment: An important re-organization of the CIA has been accomplished with the necessary change in the senior stating.

9 May 1962

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT

: DCI Meeting with the President's Foreign Intelligence Advisory Board, Saturday,

May 12, 1962, 0900

- 1. The Agenda for the meeting with the President's Board has been changed slightly. You are scheduled to appear at 9:00 and have available either an hour and a half or two hours, depending on your wishes. You will be followed by Mr. Sheldon who will give a world round up lasting 45 minutes, and he will be followed by General Carter who will discuss the Watch Committee and National Indications Center for approximately 30 minutes.
- 2. Attached is a proposed comment to Mr. McGeorge Bundy in reply to his memorandum of November 28 which dealt with "Readefining the Role of the Director of Central Intelligence and Strengthening the Internal Organization of the Central Intelligence Agency". Inasmuch as Mr. Bundy's letter suggested a reply in approximately six months, which would be May 28, this could well be discussed at this meeting of the Fresident's Board.

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4. There may be certain additional subjects which you may wish to initiate with the Board. I believe that the re-organization of CIA was covered at the last Board meeting, and of course is dealt with in the reply to Mr. Bundy. You might wish to raise the Fitch Report and the reply to the memorandum on the Berlin Wall and Syrian coup. You might also anticipate a question on the possible penetration of CIA, about which you have been briefed.

(signed) Igaan E. Hickpolaick

Lyman B. Kirkpatrick Executive Director

Att.

cc: DDCI

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